

FINANCIAL REPORTS AND ACCOUNTABILITY**Interim Reports**

The Superintendent or designee shall submit two interim fiscal reports to the Board of Trustees, the first report covering the district's financial and budgetary status for the period ending October 31 and the second report covering the period ending January 31. The reports and supporting data shall also be made available by the district for public review. (Education Code 35035, 42130)

(cf. 1340 - Access to District Records)

Within 45 days after the close of the period reported, the Board shall assess these reports of the district's financial condition on the basis of criteria adopted by the State Board of Education and on current information regarding the adopted state budget, district property tax revenues if any, and ending balances for the preceding year. The Board shall approve the fiscal reports and send the County Superintendent of Schools these reports and its certification of the district's financial status based on current projections, in accordance with the following: (Education Code 42131)

1. A "positive certification" will indicate that the district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
2. A "qualified certification" will indicate that the district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.
3. A "negative certification" will indicate that the district will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year.

Qualified or negative certifications shall also be sent to the Superintendent of Public Instruction and State Controller, together with a copy of the fiscal report and a completed transmittal form provided by the Superintendent of Public Instruction. (Education Code 42131)

If the Board files a qualified or negative certification for the second report of the fiscal year, or if its second report is classified as qualified or negative by the County Superintendent of Schools, the Superintendent or designee shall provide to the County Superintendent of Schools, the Controller, and the Superintendent of Public Instruction, no later than June 1, a financial statement that reports data for the period ending April 30 and projects the district's fund and cash balances as of June 30. (Education Code 42131)

FINANCIAL REPORTS AND ACCOUNTABILITY (continued)**Annual Financial Report**

On a form prescribed by the Superintendent of Public Instruction, the Superintendent or designee shall prepare a statement of all receipts and expenditures of the district for the preceding fiscal year. On or before September 15, the Board shall approve this statement and file it with the County Superintendent of Schools. (Education Code 42100)

Appropriations Limit Report

The Board shall adopt a resolution by September 30 of each year to identify the estimated appropriations limit for the district for the current fiscal year and the actual appropriations limit of the district during the preceding year. Documentation used to identify these limits shall be made available to the public on the day of the meeting. (Education Code 42132)

(cf. 1340 - Access to District Records)

Non-Voter-Approved Debt Report

Whenever the Board approves the issuance of certificates of participation or revenue bonds, the Superintendent or designee shall notify the County Superintendent of Schools and the county auditor. The Superintendent or designee shall provide the Board, the county auditor, the County Superintendent of Schools and the public with related repayment schedules and evidence of the district's ability to repay the obligation. Within 15 days, the County Superintendent and county auditor may comment publicly to the Board regarding the district's capability to repay the debt. (Education Code 17150)

Accrued Benefits and Claims Report

The Superintendent or designee shall annually provide the Board, at a public meeting, information and related actuarial reports showing the estimated accrued but unfunded cost of workers' compensation claims and health and welfare benefits for retired employees after they turn 65. Costs shall be reported whether the district is responsible individually or as a member of a joint powers agency. The Board shall disclose, as a separate agenda item, whether or not it will reserve in the budget sufficient amounts to fund the present value of the workers' compensation claims or if it is otherwise decreasing the amount in its workers' compensation reserve fund. The Board shall also disclose, as a separate agenda item, whether or not it will reserve in the budget sufficient amounts to fund the present value of

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the above benefits for existing retirees or the future cost of employees eligible for benefits in the current fiscal year, or both. The Board shall annually certify to the County Superintendent of Schools the amount, if any, that it has decided to reserve in the budget for any of these costs. The Board shall submit to the County Superintendent any budget revisions that may be necessary to account for this budget reserve. (Education Code 42140, 42141)

Investment Reports

Within 30 days of the end of each quarter, the Superintendent or designee shall provide the Board with quarterly reports of district investments that are more than \$25,000. This report shall include the following: (Government Code 53646)

1. The extent to which the portfolio complies and/or does not comply with the district's investment policy

(cf. 3430 - Investing)

2. A statement denoting the district's ability to meet its pool's expenditure requirements for the next six months, or an explanation of why sufficient money shall or may not be available
3. The most recent statement(s) received from the state's local agency investment fund, the National Credit Union Share Insurance Fund-insured accounts in a credit union or from FDIC-insured accounts in a bank or savings and loan association, in a county investment pool or in any combination of these
4. The type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and monies held by the district other than those specified in item #3 above
5. A description of any district funds, investments or programs that are under the management of contracted parties, including lending programs
6. The current market value, and the source of this information, for all securities held by the district and under management of any outside party that is not another local agency or the state's local agency investment fund

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In the above report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices. (Government Code 53646)